

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

228



FROM: Department of Facilities Management

SUBMITTAL DATE:
July 18, 2008

SUBJECT: Resolution No. 2008-363, Notice of Intention to Purchase Real Property in the City of Riverside, California

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Resolution No. 2008-363, Notice of Intention to Purchase Real Property, located in the City of Riverside, County of Riverside, Assessor's Parcel Numbers 215-373-009 and 215-373-012;
2. Authorize the Department of Facilities Management to negotiate the purchase of the subject property, a 260,067 square foot class A office building to be constructed on 2.37 acres described as Assessor's Parcel Numbers 215-373-009 and 215-373-012 at a price not-to-exceed \$128,500,000;
3. Authorize the Department of Facilities Management to incur typical due diligence and transaction costs not-to-exceed \$208,675; and

(Continued)

Robert Field

Robert Field, Director
Department of Facilities Management

FINANCIAL DATA	Current F.Y. Total Cost:	\$128,708,675	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$128,708,675	Budget Adjustment:	No
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	08/09

SOURCE OF FUNDS: CORAL Bonds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L Sargent*
Jennifer L Sargent

County Executive Office Signature

Dep't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 7-21-08
DATE: _____
SYNTHIA M. GUNZEL
Departmental Concurrence

Reviewed by
CIP/DEAM
Christopher Hans
Christopher Hans

Prev. Agn. Ref.:

District: 2

Agenda Number:

3.41

BACKGROUND:

The Department of Facilities Management (DOFM) proposes that the County of Riverside purchase a 260,067 square foot, 10-story office building located on 2.37 acres, known as Assessor's Parcel Numbers 215-373-009 and 215-373-012, also known as Regency Tower. Now under construction at the northeast corner Orange and 10th Streets in the City of Riverside, the property will include a 330 space subterranean parking structure and will also have an additional 400 parking spaces designated in the adjacent City owned parking structure.

The Regency Tower building is a Class A office building designed by Langdon Wilson Architects. The structure's location, size, and advanced development status make it a viable and high quality option for housing the District Attorney's central administrative and staffing needs. This purchase would allow the District Attorney to occupy the building within 20 months. Purchase of the building at certificate of occupancy avoids construction risks, which will be carried by the private developer and his associated contractors.

The County is afforded the opportunity to space plan the entire building's interior. Regency Tower in effect provides a build-to-suit building that will meet the current and future space needs of the District Attorney.

While the Department of Facilities Management will cover the cost for acquisition services at the time of this property transaction, the CIP General Fund Designation will reimburse DOFM for these costs.

The County proposes to purchase the building at a price not-to-exceed \$128,500,000. The purchase price will include the building shell and core and the District Attorney's tenant improvements.

The City of Riverside, as part of its planning zoning and architectural reviews, has completed full California Environmental Quality Act (CEQA), Initial Study and a Mitigated Negative Declaration. The transfer of title is a CEQA exempt action due to adequate prior CEQA review. A Notice of Exemption has been filed and the protest period completed.

The purchase will be financed by a special bond issuance to the County of Riverside Asset Leasing Corporation which will lease the structure to the County. At the end of debt service, the title will transfer to the County of Riverside

BACKGROUND (continued)

The purchase of the Regency Tower building and its 2.37 acre parcel frees up the 2.4 acre County garage site for other future project needs.

County Counsel has reviewed this resolution as to legal form.

FINANCIAL DATA:

The following summarizes the funding necessary to acquire this office building on 1.12 acres, known as Assessor's Parcel Numbers 215-373-009 and 215-373-012:

Purchase Price (not-to-exceed):	\$128,500,000
Estimated Title and Escrow Charges:	\$ 88,675
CEQA Study:	\$ 0
Phase I/Environmental Report:	\$ 30,000
Estimated Real Property Appraisal:	\$ 10,000
DOFM Real Property Costs:	<u>\$ 80,000</u>
Total Estimated Acquisition Costs:	\$128,708,675

Any necessary budget adjustments will be brought forward under separate cover seeking authorization to purchase the related real property. All costs associated with this property acquisition are fully funded through the CIP General Fund Designation for FY 08/09. Thus, no additional net county costs will be incurred as a result of this transaction.

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3 Resolution No. 2008-363
4 Notice of Intention to Purchase Real Property
5 In the City of Riverside, County of Riverside, California
6 Assessor's Parcel Numbers 215-373-009 and 215-373-012

7 BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the
8 County of Riverside, in regular session assembled on July 29, 2008, and NOTICE IS HEREBY
9 GIVEN, pursuant to Section 25350 of the Government Code, that this Board at its public
10 meeting on October 7, 2008, at 9:00 a.m., in the meeting room of the Board of Supervisors
11 located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside,
12 California, intends to authorize a transaction in which the County of Riverside will purchase
13 from MS-Regency Tower, LLC, certain real property located in the City of Riverside, County of
14 Riverside, State of California, known as Riverside County Assessor's Parcel Numbers 215-
15 373-009 and 215-373-012, more particularly described in Exhibit "A", attached hereto and
16 made a part hereof, consisting of one 260,067 square foot building on 2.37 acres of land at a
17 purchase price not-to-exceed One Hundred Twenty Eight Million Five Hundred Thousand
18 Dollars (\$128,500,000), plus miscellaneous escrow and closing costs in the approximate
19 amount of Eighty Eight Thousand Six Hundred Seventy Five Dollars (\$88,675).

20 BE IT FURTHER RESOLVED AND DETERMINED that the Department of Facilities
21 Management is to expend approximately One Hundred Twenty Thousand Dollars (\$120,000)
22 to complete due diligence on the property, a preliminary title report, appraisal costs, staff time,
23 a hazardous materials survey and miscellaneous other studies as deemed necessary.

24 BE IT FURTHER RESOLVED AND DETERMINED that the Clerk of the Board of
25 Supervisors is directed to give notice hereof as provided in Section 6063 of the Government
Code.

1 BE IT FURTHER RESOLVED AND DETERMINED that the Director of the Department
2 of Facilities Management, or his designee, is authorized to execute the necessary documents
3 to complete this purchase of real property.

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7 YZ:cm
8 07/18/08
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FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 7-21-08
SYNTHIA M. GUNZEL
DATE

EXHIBIT "A"



Selected parcel(s):
 215-373-009 215-373-012

LEGEND

SELECTED PARCEL

PARCELS

RIVERSIDE

IMAGERY DATE: MARCH 2007

IMPORTANT

This information is made available through the Riverside County Geographic Information System. The information is for reference purposes only. It is intended to be used as base level information only and is not intended to replace any recorded documents or other public records. Contact appropriate County Department or Agency if necessary. Reference to recorded documents and public records may be necessary and is advisable.

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